

Section VI. THE COMSEC MATERIAL CONTROL SYSTEM

36. General. **COMSEC** material control within the U.S. Government and industrial facilities is based on a system of centralized accounting and decentralized custody and protection. Computer applications are employed to minimize manual bookkeeping and to provide timely and accurate data essential to continuous and effective control of **COMSEC** material entrusted to or produced by U.S. industry for the government.

37. Responsibilities. This section encompasses responsibilities performed by the DIS, the **CORs**, contractor **COMSEC** Custodians, and users of **COMSEC material**. The responsibilities listed below are representative of the respective roles of DIS, the COR, and the U.S. Government contractor in support of the **COMSEC** Material Control System.

a. The Defense Investigative Service has been directed by DoD to inspect contractor procedures, methods, and facilities associated with COMSEC material control. DIS responsibilities include the following:

(1) Establishing the facility security clearance required for classified COMSEC accounts.

(2) Ensuring the proper investigatory basis and clearance exist for the Facility Security Officer, COMSEC Custodian and Alternate COMSEC Custodian.

(3) Providing to the COR, on a **timely** basis, verification of the facility's clearance, its document and hardware storage capability, appropriate physical location and classified mailing address, and, when requested, where the COMSEC account will receive classified key, verification that adequate supplemental controls are in place.

(4) Providing COMSEC briefings/debriefings where required.

(5) Ensuring that document and equipment marking requirements are followed.

(6) Approving and periodically inspecting area controls, storage and destruction processes and procedures.

(7) Ensuring proper transportation procedures are followed.

(8) Reviewing and ensuring reporting requirements are followed.

(9) Ensuring the provisions of **NACSI 6002** are properly applied by the User Agency.

(10) Verifying that CCI equipment, assemblies, and components within cleared contractor facilities are being properly controlled in accordance with the **CSISM**.

b. COR responsibilities include the following:

(1) Establishing and closing **COMSEC** accounts.

(2) Maintaining a record of all **COMSEC** accounts, to include clearance verification, when applicable, of **all COMSEC** Custodians, Alternate **COMSEC** Custodians, and Facility Security Officers.

(3) Formally appointing the **COMSEC** Custodian and Alternate **COMSEC** Custodian, and maintaining a record of the Facility Security Officer designated by each contractor.

(4) Maintaining master records of all **COMSEC** material held by contractors under its auspices.

(5) Verifying **COMSEC** account holdings.

(6) Auditing **COMSEC** accounts, in-process accounting procedures, and, where applicable, inspecting secure telecommunication facilities.

(7) Providing **COMSEC** training and guidance, when required.

(8) Approving in-process accounting systems for prime and subcontractors to ensure compliance with procedures prescribed herein.

c. Contractors.

(1) Including procedures in, or preparing a supplement to, the Standard Practice Procedures (SPP), required by paragraph 5s, **ISM**, to cover **COMSEC** requirements.

(2) Providing proper facilities for the storage and safeguarding of **COMSEC** material.

(3) Nominating a **COMSEC** Custodian and Alternate **COMSEC** Custodian, and designating the Facility Security Officer.

(4) Ensuring that **all** new **COMSEC** Custodians and Alternate **COMSEC** Custodian receive adequate training.

(5) Ensuring that the **COMSEC** Custodian, Alternate **COMSEC** Custodian, Facility Security Officer and other persons involved in the handling and control of **COMSEC** material safeguard the material in accordance with this Supplement and applicable contract or Memorandum of Agreement requirements.

38. **COMSEC** Material Control System Forms, Files and Reports.

a. Forms. The forms used in the **COMSEC** Material Control System are limited to the multipurpose Standard Form 153 (**COMSEC** Material Report); Form **A1721** (**COMSEC** Material Hand Receipt); and the **L6061**, (**COMSEC** Material Record Card). Where NSA is the COR, these forms may be ordered from **DIRNSA**, ATTN: **L1112** (contact the NSA COR on (301) 688-8110 for a copy of the format to be utilized when ordering the forms from **L1112**).

b. Accounting Records. Accounting reports are prepared on an SF-153 and are used to record the transfer, possession, inventory, and destruction of accountable **COMSEC** material. Accounting reports may be prepared either

manually or by data processing equipment. The required copies and distribution of accounting reports are covered in the appropriate paragraphs which outline the detailed preparation of particular reports. The various reports and a brief description of their use are as follows:

(1) Transfer Report: Used to record **COMSEC** material transferred from one **COMSEC** account to another. (See figures 2 and 3.)

(2) Destruction Report: Used to report the physical destruction or other authorized expenditure of **COMSEC** material. (See figure 4.)

(3) Inventory Report: Used to report the physical (sight) inventory of **COMSEC** material. (See figures 5 and 6.)

(4) Possession Report: Used to report the possession of **COMSEC** material. Specific circumstances requiring the accomplishment of possession reports are prescribed in paragraph 41. (See figure 7.)

c. Hand Receipt. A hand receipt is used to record the acceptance of and responsibility for **COMSEC** material issued to a user by a **COMSEC** Custodian. (See figures 9, 10 and 11.)

d. Files. Each **COMSEC** Custodian will establish and maintain **COMSEC** accounting and related files as indicated in (1) and (2) below.

(1) Accounting Files:

(a) Incoming transfer reports, possession reports, and change-of-custodian transfer reports.

(b) Destruction and outgoing transfer reports.

(c) Inventory reports.

(d) Hand receipts.

(e) **COMSEC** Register File (**L6061**) or a comparable system approved by the COR.

(f) In-process accounting records (if applicable).

(g) Master Disposition Record of **COMSEC** Material (if applicable) .

(2) Related Files:

(a) Courier, mail, and package receipts.

(b) Correspondence to include such records as **COMSEC** Custodian and Alternate **COMSEC** Custodian appointment confirmation letters, messages, and other documentation related to **COMSEC** accounting.

39. Preparation of COMSEC Register File and COMSEC Accounting Reports.

a. COMSEC Register. All COMSEC material held by an account will be controlled internally, using a COMSEC Register File. This register will consist of an active section and an inactive section, both of which shall be maintained in alphanumeric order. Normally, this file will consist of L6061s; however, where the COMSEC account holdings are very large, consideration to maintaining this information on a personal mini-computer controlled by the COMSEC Custodian may be warranted and is acceptable, subject to prior COR approval. However, care must be taken to control the data base as much as possible since unauthorized persons could alter/erase information without the immediate knowledge of the COMSEC Custodian. Automated Register Files containing information on classified operational keying material must be approved by the CSO prior to use.

(1) The active Register File will contain a record for each accountable item currently held in the account and will contain the following information:

- (a) Short title, edition, quantity and accounting number (if any).
- (b) Classification and Accounting Legend Code (ALC).
- (c) Date of receipt, the COMSEC account from which it was received, and incoming transaction number.
- (d) The applicable Contract or MOU/MOA Number.
- (e) Hand receipt information (reverse side).

(2) The inactive section of the register file will contain a record for each item which has been removed from the account and will contain the specific disposition date for the item, as follows:

- (a) The type of disposition (transfer, destruction, etc.) and the date of the action.
- (b) The outgoing transaction number,
- (c) If transferred, the receiving COMSEC account number.

(3) Special attention should be given to maintaining this Register File in a current and accurate status as it is a convenient reference and important tool for maintaining strict control over all COMSEC material in the account.

b. Preparation of COMSEC Accounting Reports. Proper preparation, accuracy, and timely submission of COMSEC accounting reports are essential for the effective control of COMSEC material.

(1) Each report must include the official titles and address of the activity involved; account number, transaction number, and contract or MOU/MOA; DD 250 partial shipment numbers, when applicable; date of report (entered: year, month, day, e.g. 870107 indicates 07 January 1987); typed or stamped names of individuals signing the report; and signatures in ink.

(2) All short titles will be listed in alphanumeric order, with the "TSEC" designator omitted. For equipment controlled by Government Serial Number, the "GSN" prefix will also be omitted.

(3) **All** line item entries on a report must be single spaced. The last line item will be followed by the remark "NOTHING FOLLOWS" in capital letters on the next line.

(4) For items having accounting numbers running consecutively, the inclusive accounting numbers will be entered as a single line entry, e.g. , 1-10 in block 11.

(5) Enter "N/N" in block 11 for those items not having an accounting number or for which accounting by number is not required.

(6) Ensure that the consecutive accounting numbers agree with the entries made in the "quantity" column.

(7) Include any clarifying remarks deemed appropriate for the receiving COMSEC Custodian or the COR in Block 13 or below the "NOTHING FOLLOWS" **line**. Required remarks are contained in the instructions for the specific report being prepared, as well as in the figures in Appendix V to this supplement.

(8) Initial all deletions or corrections in ink.

(9) Each accounting report (i.e., incoming and outgoing transfers, possession, inventory, and destruction reports) will be assigned a transaction number. Transaction numbers will be derived by the addition of a sequential set of numbers commencing with 001 each calendar year, to the last three digits of the account number (e.g., the first yearly transaction number of COMSEC Account 870342 would be 342001).

(10) Review all reports for completeness and accuracy.

(11) Ensure the legibility of each copy of each report.

NOTE : Transaction numbers are not assigned to hand receipts, INFOSEC Procedural and Material Control Bulletins, or reconciliation statements.

40. Hand Receipts.

a. When COMSEC material is to be issued by the COMSEC Custodian to a user, it will be issued on a hand receipt. A hand receipt may be executed on an SF-153 (see Figure 9), the reverse side of Form L6061 (see Figure 11) or Form A1721 (see Figure 10). Transaction numbers described in Paragraph 39b, above, will not be assigned to hand receipts. Prior to effecting such issue, the COMSEC Custodian will verify that the proposed recipient:

(1) Has a need to know, and if the material is classified, possesses the required clearance and has received a COMSEC briefing.

(2) Will be the actual user of the material (clerical or other personnel who are not the user **will** not sign hand receipts).

(3) Knows the physical security measures necessary to protect the material, **and** the possible consequences of compromise.

(4) Has the necessary physical secure means for storage and use commensurate with the classification of the item. The file safe should be located in the user's immediate work area.

(5) Is fully aware that pages are not to be removed from basic documents, nor is reproduction of a document in **whole** or in part authorized.

b. **COMSEC** material received on a hand receipt will never be reissued by a user. If the material is needed by another individual outside the immediate office of the recipient, it must be returned to the **COMSEC** Custodian for reissue.

c. The hand receipt user must be made aware that any possible compromise, access by unauthorized persons, or violations of security regulations affecting the material (e.g. , user cannot locate or suspects material was borrowed, or container securing the material was left open while unattended) must be immediately reported to the **COMSEC** Custodian.

d. Users who need to transport **COMSEC** material on hand receipt outside their facilities for valid contract-related activities must have prior concurrence of the **COMSEC** Custodian. **COMSEC** material to be transferred outside the facility should be handled in accordance with the applicable portions of this Section.

e. A user will be relieved of responsibility for material received on a hand receipt when the material has been returned to the **COMSEC** Custodian and the original copy of the hand receipt (SF-153) is given to the user, or by the Custodian's initialing and dating the reverse side of Form **L6061** or Form **A1721**, as appropriate.

41. Possession Reports.

a. Possession reports will be prepared under the following circumstances:

(1) When **COMSEC** material is received without accompanying transfer reports.

(2) When **COMSEC** material fabricated by the contractor reaches a final state and is accepted by the Government, and will remain in the contractor's facility over 30 days. Material which has been accepted by the Government but does not remain in the plant for over 30 days will not require a possession report but accountability becomes the responsibility of the **COMSEC** Custodian.

(3) When reporting conversion of **COMSEC** material (see Paragraph 42).

(4) When COMSEC material was previously lost or removed from accountability but subsequently recovered.

(5) When a new **COMSEC** Custodian is appointed because of the sudden permanent departure or unauthorized absence of the **COMSEC** Custodian. In those cases where the holdings of the **COMSEC** account are large, a preprinted inventory may be requested from the COR and utilized for this purpose.

(6) When a TSEC nomenclature document which requires control in the CMCS is reproduced by a contractor.

b. To submit a possession report, the COMSEC Custodian will prepare an SF-153 (see Figure 7) and will enter appropriate remarks below the "NOTHING FOLLOWS" line, citing the reason for submission of the report. The signed original copy of the possession report will be forwarded to the COR and a signed duplicate copy will be retained for file. In those instances where **COMSEC** material is received without an accompanying transfer report, a copy of the possession report will be forwarded to the shipping COMSEC account, if known, and to the Military Department Accounting Headquarters, if applicable.

42. Conversion of COMSEC Material. When it becomes **necessary** to convert the short title and/or accounting number of an item of COMSEC material, the conversion will be reported to the COR for proper adjustment of accounting records. A conversion can result from major modification of an equipment requiring the equipment to be redesignated (e.g., TSEC/KL-60, redesignated as **TSEC/KL-60A**). A conversion will be reported by simultaneously submitting a possession report and a destruction report prepared on **SF-153s**. The possession report will list the item by its new short title and accounting number, and will contain a remark referencing the associated destruction report. The destruction report will list the previous short title and accounting number and include a remark that the destruction is for record purposes only and a reference to the associated possession report. One signed copy of each report will be forwarded to the COR, and one signed copy of each report will be retained for file.

43. Inventory Report.

a. Semiannual Inventories. Semiannual preprinted inventories are issued by the NSA COR and reflect all COMSEC material (legends 1 and 2) charged to the account as of the date the report is prepared. Preprinted inventories (See Figure 5) are arranged so that distribution among contractor COMSEC accounts occurs **evenly** throughout the inventory period. The inventory will always be dated within the inventory period and will be forwarded approximately six months after the date of the previous inventory. Physical (sight) inventories **will** be conducted and inventory reports returned to the NSA COR no later than ten working days after receipt.

Note: Inventories which reflect **the** account's holdings of classified operational keying material will be classified CONFIDENTIAL. These inventories may be returned via certified mail.

(1) To complete the inventory, the COMSEC Custodian will accomplish the following:

a. With a properly cleared witness, conduct a physical (sight) inventory of all **COMSEC** material held by the account. **COMSEC** material issued on hand receipt must be physically sighted by the **COMSEC** Custodian and a properly cleared witness at least semiannually. **STU-IIIs** held on hand receipt by distant users, however, need not be physically sighted by the **COMSEC** custodian. The user to whom the equipment was issued will physically sight the unit when so notified by the **COMSEC** custodian and will certify in writing to the custodian that this **has** been accomplished. The physical sighting will be conducted immediately upon request in order for the **COMSEC** custodian to return the completed inventory to the COR. **COMSEC** equipments which have been accepted by the Government and are being held in storage by the contractor may be assumed to contain all **the** required subassemblies and elements and need not be opened to check individual items; the inventory can be made from external listings of components. Equipments in operation or which are being subjected to tests are exempt from this provision, as opening them would be impractical. Sealed or unit packed material will be inventoried in the manner prescribed in paragraph 51.

b. Compare the results of the physical (sight) inventory against the preprinted inventory. Any discrepancies that exist should be resolved by comparing the preprinted inventory against the **COMSEC** Register. Normally, any accounting transactions occurring after the date of the preprinted inventory will not be added to or deleted from the inventory. (If the inventory is being conducted for the purpose of a change of **COMSEC** Custodian, all transactions must be accounted for so that the completed inventory reflects that material actually held by the account on the date of **COMSEC** Custodian changeover.) Particular attention should be given to additions to, or deletions from, the account which were accomplished just prior to the date of the report. In some instances, accounting reports may not reach the COR in time for processing against the account, and the **COMSEC** Custodian must update the report by deleting an item or by supplementing the report with an SF-153. Each item to be **deleted** will be lined out in ink by the **COMSEC** Custodian (erasures are not authorized). Complete details to support the deletion will be given in the "remarks" column opposite the item. In the case of a **transfer**, this will include the addressee's name and account number, the outgoing transfer number, and the transfer report date (e.g. transferred to Army Account 5AP111, Transaction Number (TN) 111003, dated 870310). If the deletion is based on a destruction report, the date and transaction number will be provided. In the case of material held and not listed on the inventory, the material will be listed on an SF-153, appropriately classified, signed by the same individuals signing the inventory, and attached as a supplement to the preprinted report. The "remarks" column of the SF-153 will indicate the name, account numbers, transaction number, date of incoming transfer, and details, as appropriate, to support the supplement. The supplement to the preprinted inventory will be assigned the same transaction number as that given the inventory (Figure 6).

c. During each inventory, cognizant personnel of the company will review each item on the inventory to determine whether the material is **still** required in the performance of a current contract. If any material is no **longer** required, a remark to that effect **will** be placed in the "remarks" column opposite each item, with an indication of the approximate date a request for disposition is to be forwarded to the Contracting Officer.

d. When the preprinted inventory has been reconciled to agree with the account's actual holdings, the **COMSEC** Custodian and witness will sign and date the certifications on the preprinted inventory and any supplemental SF-153. The number of supplemental forms will be indicated in the space provided in the **COMSEC** Custodian's certification block. If supplemental forms are not used, mark "NONE" in the **COMSEC** Custodian's certification block. The **COMSEC** Custodian should then make a final review of the inventory to ensure that any deletions or additions are fully documented and that the certification blocks are signed and dated, and that a transaction number has been assigned. A signed copy of the report will be retained by the **COMSEC** Custodian for his files.

e. Return all semiannual preprinted inventories to the COR within ten working days after receipt. (Exceptions are those inventories submitted to an account preparatory to an auditor's visit. These inventories will be held by the account until the auditor arrives, at which time the inventory will be jointly conducted by the **COMSEC** Custodian and Auditor.)

f. Upon receipt of the certified inventory by the COR, it will be reconciled with the COR records. The **COMSEC** Custodian will be advised only if discrepancies are noted. If the account is cited with any discrepancy, the **COMSEC** Custodian will take corrective action within 48 hours of receipt of such notice, advise the COR of the action taken, and submit therewith any substantiating reports required.

g. Change-of-Custodian Inventories. The inventory required upon change of **COMSEC** Custodian will be accomplished as prescribed above.

h. Special Inventories. The **COMSEC** Custodian will conduct a special inventory when directed by the COR, Contracting Officer, or Facility Security Officer for reasons of suspected loss of **COMSEC** material or frequent deviation from accounting procedures. Special inventories will be recorded on an SF-153. They will not be forwarded to the COR unless requested by the COR or unless the authority directing the special inventory desires that the COR verify its accuracy.

i. Negative Inventories. Even though a **COMSEC** account may not hold **COMSEC** material, semiannual inventories will still be forwarded to the **COMSEC** account from the COR. The **COMSEC** Custodian with a properly cleared witness (usually the Alternate **COMSEC** Custodian) will sign the negative inventory, thereby certifying that the account does not hold **COMSEC** material. **COMSEC** accounts will continue to receive semiannual inventories until a requirement for the **COMSEC** account no longer exists, and the **COMSEC** account is formally closed. If the **COMSEC** account has received, or still holds **COMSEC** material when a negative preprinted inventory is received, the inventory should be supplemented to reflect the **COMSEC** material held by the **COMSEC** account.

44. Classification of **COMSEC** Accounting Reports and Files. All accounting reports and files are classified if they list short titles for "two-person control" material; if the remarks are classified; if they contain a complete or substantially complete record of an account's holding of classified operational keying material; or if they contain reports which supply classified keying material effective dates, in which case a minimum

classification of CONFIDENTIAL will apply. Otherwise, each accounting report and file will be marked FOR OFFICIAL USE ONLY (FOUO). Additionally, the following guidance is provided:

a. COMSEC Register Files. If the file contains L6061s for classified operational keying material, the entire container will be classified CONFIDENTIAL. In those cases where the account maintains a separate container for the Inactive Register Files, this container will also be classified CONFIDENTIAL, if it contains inactive L6061s for classified keying material. If the register **file** is automated, the disk containing the register file information will be classified CONFIDENTIAL.

b. Accounting Files. Although individual destruction reports/transfer reports for classified operational keying material are FOUO, a compilation of these reports becomes CONFIDENTIAL; therefore, a **file** holding these reports must be so classified. Likewise, an accounting file holding classified inventories must also be stamped CONFIDENTIAL.

c. Any accounting report or file containing classified information will be classified according to the highest level of classified information contained therein.

d. Classification of accounting files is the responsibility of the COMSEC Custodian and will be determined by evaluating the content of each COMSEC accounting report, COMSEC accounting file, or DD Form 254. If any doubt arises, the matter **should** be referred to the FSO.

e. Each report or file which contains classified COMSEC information will also bear, in addition to the classification, the following statement: "Classified by: (the appropriate Agency/Department Directive), Declassify on: Originating Agency's Determination Required."

45. Retention and Disposition of COMSEC Accounting Records. All COMSEC accounting records **will** be retained for minimum of three years, at which time they may be retired or destroyed in a manner commensurate with their classification.

46. Accounting for and Entering Amendments to COMSEC Publications.

a. Message Amendments. A message amendment is used to announce information which must be immediately entered into a COMSEC publication. After posting the amendment and noting the entry on the "Record of Amendments" page, classified message amendments will be destroyed in compliance with the procedures outlined in the ISM. Destruction of message amendments will not be reported to the COR.

b. Printed Amendments. Printed amendments will be accounted for as COMSEC publications **until** they have been posted, the residue destroyed, and the **destruction** reported to the COR.

c. Posting the Amendments. An amendment will be posted as soon as possible after receipt or effective date in order to keep the basic publication current. An amendment will be posted by the COMSEC Custodian, other

cleared individuals working under his direct supervision, or by the individual holding the basic document on hand receipt. The following guidance will assist **COMSEC** Custodians in avoiding errors which commonly occur in posting amendments:

(1) Untrained personnel will not post amendments unless they are closely supervised.

(2) Specific instructions contained in the letter of promulgation or handling instructions will be read and understood prior to posting. The entire amendment will be posted at one time and not extended over a period of time.

(3) If replacement pages are included in the amendment, a page check of both the basic publication and residue of the amendment will be made prior to destruction of the residue. Inadvertent destruction of effective portions of documents together with residue from amendments is a major cause of **COMSEC** material security violations.

(4) The individual posting the amendment will note the posting of the amendment on the "Record of Amendments" page and, if pages were added to or removed from the publication, date and sign the "Record of Page Checks" page.

(5) If the amendment was posted by an individual other than the **COMSEC** Custodian, all residue of the amendment, including any pages removed from the basic publication, will be returned to the **COMSEC** Custodian for destruction.

(6) To preclude loss, the residue of an amendment which is being held pending destruction will be placed in a sealed envelope marked with the short title, accounting number, and classification of the amendment.

47. Accounting for **COMSEC** Material Prior to Acceptance by the U.S. Government.

a. When **COMSEC** material is transferred outside a contractor's facility for test and evaluation prior to acceptance by the U.S. Government, the **COMSEC** Custodian will put the following notation on the transfer report:

"The above-listed material has not been accepted by the U.S. Government and is the property of (name of contractor). The material is being transferred on a temporary basis for test and evaluation. Upon completion of test and evaluation, return the material to (name of contractor)."

b. The following remark will appear on the transfer report returning the material: "The above-listed material has not been accepted by the U.S. Government and is the property of (name of contractor). The material was transferred to (account number) for test and evaluation."

c. When **COMSEC** material transferred for test and evaluation is returned to the originating contractor and accompanying transfer reports are signed and distributed, no further accounting at the COR is required until final

acceptance of the material by the Government.

d. In addition to the remarks prescribed in Paragraph 47a and b, above, these transactions should be conducted under the guidelines set forth in Paragraph 52, with the exception that no DD-250 will be necessary.

e. Classified material, such as microcircuits, printed circuit boards, etc., produced by a subcontractor and provided to the prime contractor will not be entered into the **COMSEC** Material Control System (**CMCS**) by the prime contractor. Instead, such material shall be placed in the in-process accounting system by the prime contractor and controlled in accordance with Section VII of this Supplement.

48. Accounting for Government-Furnished Property and New Material. To facilitate COMSEC accounting, **all COMSEC** material shipped by a contractor will be categorized as either government-furnished property (**GFP**) or new material.

a. COMSEC material accepted by the Government which has been entered into the CMCS on a previous transaction is considered GFP material, e.g., material returned to the contractor for rework, material accepted by the Government and picked up by the contractor on a possession report.

b. COMSEC material which has been accepted by the Government and is being entered into the **CMCS** initially is considered new material. COMSEC material which is produced under the CCEP or Authorized Vendor Program remains the property of the producing facility and **will** be retained under "in-process" controls until sold. At that point, the **COMSEC** item will be issued as new material.

c. GFP material will be identified as such in the "remarks" column of the transfer report. Material not identified as GFP will be considered new material. When GFP and new material are listed on the same transfer report, the GFP material **will** be listed as a separate line item and identified as GFP in the "remarks" column.

d. COMSEC material received by the contractor as GFP is not to be entered into the Company's Government Industrial Property Account or Document Control System.

49. Residual Inventory and Master Disposition Record.

a. Procedures for Preparing Residual Inventory

(1) Upon completion of a contract, the contractor will prepare a residual inventory of **all COMSEC** material (including unclassified elements and subassemblies (e.g., E-__, Z-__)), generated and retained by the contractor or furnished by **the Government** under contract. The residual inventory will be forwarded to the appropriate COR through the Contracting Officer.

(2) Those items listed on the residual inventory which have not been accepted by the Government and those items which will be required for the performance of current contracts will be so notated.

(3) **Upon** receipt of the residual inventory, the **COR will** review the **COMSEC** material listed and provide the contractor with disposition instructions.

b. Master Disposition Record. The contractor will be required to maintain a disposition record for all items of **COMSEC** equipment and assemblies. (Not applicable to elements, E- ___, or subassemblies, Z- ___.) A form similar to that shown in Figure 13 can **be utilized** to maintain the record which will include, for each item, the following:

- (1) The accounting or serial number of the item.
- (2) The number of the **COMSEC** account to which the material was shipped.
- (3) The date of shipment.
- (4) The contractor's transaction number. .
- (5) The shipment control number (**DCS**, Registered Mail, etc.).
- (6) The **DD-250** partial shipment number.

Upon completion of the contract, the contractor will submit to the appropriate **COR**, a copy of the Master Disposition Record of Accountable **COMSEC** Material, similar to that shown in Figures 13 and 14.

50. Receipt of COMSEC Material.

a. Sources. **COMSEC** material may be received from the military departments, governmental agencies, and contractors. **COMSEC** material may arrive at a facility via one of the methods of shipment outlined in this Supplement. The **COMSEC** Custodian will notify the contractor's mail and receiving departments that a **COMSEC** account has been established and provide them with an adequate internal address so that **mail** or material received addressed to the account may be forwarded unopened to the **COMSEC** Custodian.

b. DCS Form 10. The Defense Courier Service (**DCS**) regulation requires contractor personnel who may be required to accept **DCS** material to complete a Defense Courier Service Authorization Record (**DCS** Form 10) prior to receipting for material. **DCS** Forms 10 may be obtained from the servicing **DCS** station. Figure 10 lists **DCS** addresses. (**ARFCOS** Form 10 may be used until exhausted.)

c. DCS Form 1. Material shipped via **DCS** will be listed on Defense Courier Semite Receipt to Sender (**DCS** Form 1). (**ARFCOS** Form 1 may be used until exhausted.)

d. Receipting For Packages and Examination of Container (refer to paragraph 50e, **below**, for equipment). Upon delivery of **COMSEC** material to the **COMSEC** Custodian or other individuals authorized by the contractor to receipt for packages, the packages will be carefully examined for evidence of tampering or exposure of their contents. If either is evident and the contents are classified or marked **CCI** or **CRYPTO**, a "possible physical

insecurity" report will be submitted as outlined in Section XVI. Packages receipted for by an individual other than the **COMSEC** Custodian will be delivered to the **COMSEC** Custodian unopened. If the package contains TOP SECRET keying material, the receiving **COMSEC** Custodian must immediately initiate two-person integrity (**TPI**) controls and place the TOP SECRET key in TPI storage (refer to paragraph 90), and both TPI participants must carefully inspect the protective packaging for evidence of damage or tampering, as this is done. Any such evidence should be immediately reported as prescribed in Section XVI. The **COMSEC** Custodian will carefully inventory and check contents against the enclosed transfer report. Any discrepancies in short titles, accounting numbers, or quantity will be reported to the sender and the COR; and the transfer report will be corrected to agree with the material actually received. If the material is classified or marked **CCI** or **CRYPTO** and the discrepancy cannot be resolved between the sender and receiver, a report of possible compromise will be submitted by the receiver. When the incoming check has been completed, the transfer reports will be signed and distributed as follows:

(1) One copy to the COR.

(2) One copy to the cognizant Military Department Accounting Headquarters, when applicable.

(3) One copy to the shipment originator (when corrections of the SF 153 are required).

(4) One copy for file.

NOTE: It may be necessary to reproduce additional copies of the SF-153.

e. Receipting for Equipment.

(1) Equipments received in sealed shipping cartons which have not been opened or do not exhibit signs of tampering may be receipted for without physically sighting the material on the inside as long as the label on the carton agrees with the transfer report; if not, the contents must be physically inventoried. The **COMSEC** Custodian must bear in mind that, although the opening of certain types of material need not take place prior to actual usage, time must be allowed between opening and usage to obtain replacements for incomplete or defective items. Additionally, it is the **COMSEC** Custodian's responsibility to report all shipment discrepancies to the COR as soon as they are discovered.

(2) With the introduction of the new **CCI** category of **COMSEC** equipment, many existing/new stand-alone cryptographic equipments, telecommunications and information handling equipments with embedded cryptography, and associated ancillary equipments may now be controlled outside of traditional **COMSEC** control channels. For example, the Departments of the Army and the Air Force have initiated control of **CCI** equipment through their standard logistics system. When **CCI** equipment is received at a contractor facility via other than traditional **COMSEC** control channels, it is the **COMSEC** Custodian's responsibility to sign the accompanying paperwork (the Air Force utilizes DD Form 1348-1), and return a copy to the shipper. The

COMSEC Custodian will also be responsible for initiating an SF-153 possession report for the receipted material as prescribed in paragraph 41 and submitting a copy to the" NSA COR.

f. Receipting for Tapes (Magnetic/Paper). The **COMSEC** Custodian will, upon receipt of a shipment of tapes, inventory each reel by short title and accounting number. Discrepancies will be reported to the COR.

g. Receipting for Hardware Keying Material and Manufacturing Aids. Upon receipt of hardware keying material and associated aids, each item will be inventoried by short **title** and accounting number.

h. Receipting for Protective Packaged Keying Material. Certain items of COMSEC material are protectively packaged at the time of production and will not, in most cases, be opened-until **they** are to be **employed** by the actual user. Protective packaging applied to individual items of TOP SECRET key must not be removed except under TPI conditions.

i. Receipting for Other Material: Upon receipt of a classified COMSEC document, the **COMSEC** Custodian or Alternate **COMSEC** Custodian will stamp or annotate the document "**COMSEC MATERIAL--ACCESS BY CONTRACTOR PERSONNEL RESTRICTED TO U.S. CITIZENS HOLDING FINAL GOVERNMENT CLEARANCE.**" The publication must also be page checked upon initial receipt, upon completion of entering an amendment requiring the removal and/or insertion of pages, prior to destruction, and prior to shipment to another COMSEC account. Page checks will be accomplished within two working days after receipt of material, immediately after entering an amendment, and two working days prior to shipment or destruction.

j. Page Checking Procedures: The COMSEC Custodian, or an appropriately cleared individual working under his/her direct supervision, will conduct page checks of unsealed material to ensure the presence of all required pages. To conduct the page check, the presence of each page will be verified against the "List of Effective Pages" or the "Handling Instructions," as appropriate. The "Record of Page Checks" page will then be signed and dated; or, if the publication has no "Record of Page Checks" page, the notation will be placed on the "Record of Amendments" page or the cover. If any pages are missing, the "Record of Page Checks" page will be annotated accordingly. If the publication is classified, an insecurity report will be submitted as outlined in Section XVI. Requests for disposition instructions and a replacement publication will be submitted through the Contracting Officer. In case of duplicate pages, the duplicate page(s) will be removed and destroyed. One copy of a destruction report will be prepared citing the page number and the accounting number of the basic publication, e.g. , duplicate page number 72 removed from **KAM-130**, Number 183. The destruction report will be signed by the COMSEC Custodian and witness and will be filed locally. No notification to the COR is required, and this locally retained destruction report will not be assigned a COMSEC Account Transaction Number. In addition, a notation of the duplicate page and the resultant destruction will be entered on the "Record of Page Checks" page. In those instances where a change of COMSEC Custodian has occurred, the incoming **COMSEC** Custodian must perform a page check of all unsealed material within 30 days after the change

of COMSEC Custodian takes place. Where the COMSEC account has a prohibitive number of documents requiring page checks, the incoming COMSEC Custodian must submit a request for an extension to allow more time to complete all page checks. It is recommended that the outgoing COMSEC Custodian complete page checks prior to transferring control of the COMSEC account to the incoming COMSEC Custodian. Specific procedures for page checking keying material are outlined below:

(1) Key cards **and/or** key lists that are shipped in sealed transparent plastic wraps will not be opened until 72 hours prior to the effective date; therefore, a page check upon receipt of the material is not authorized. Test keying material will not be opened until it is to be used. In preparation for actual use, keying material will be opened and page checked in accordance with the handling instructions provided with the material. If no special handling instructions are provided, the keying material will be opened and page checked as outlined in paragraph 50j, above.

(2) Key tapes or key lists in protective canisters must not have the tape or lists removed for inventory or check purposes.

51. Procedures for Handling Keying Material. Keying material must be stored in containers approved for the classification level of the key (refer to paragraph 90). Access to the container storing future editions of classified keying material, marked CRYPTO, however, must be restricted to the FSO, COMSEC Custodian and Alternate COMSEC Custodian(s). Where this restriction cannot be applied because others must have access to the container for either current editions of keying material or other material contained therein, future editions of keying material must be stored separately in a locked strongbox which can be opened only by the FSO, COMSEC Custodian and Alternate COMSEC Custodian(s). The strongbox must be kept in the security container. Exceptions may be made in operational areas to allow shift supervisors access to the next future edition of keying material, but not to later future editions.

a. Key Cards. When it **is** necessary for the COMSEC Custodian(s) to relinquish physical control of operational key cards to a user, **the** book will be issued on a hand receipt basis. If, in the opinion of the COMSEC Custodian, issue of individual cards is warranted, the user's initials in the "USED" column of the key card "USAGE RECORD" will serve in lieu of a hand receipt. When a card is removed from the book for use, the user will place his initials and the date in the "USED" columns of the "USAGE RECORD" on the inner front cover of the book by the appropriate card number. Handling instructions may contain details applicable to a particular short title.

b. Key Lists/Key Tapes.

(1) Operational key lists packaged in sealed transparent plastic envelopes will not be page checked until 72 hours prior to the effective date. When it is necessary for the COMSEC Custodian to relinquish physical control of operational key lists to a user, he or she will do so on a hand receipt basis. If the issue of individual settings is warranted, the user will sign and date the "ISSUED TO" column on the "DISPOSITION RECORD" on the inside front cover of the publication. This will serve in lieu of a hand receipt.

(2) Key lists/key tapes packaged in plastic protective canisters do not require a page check. Upon receipt of this material, the **COMSEC** Custodian will annotate the accompanying record of usage card with the short title, edition, and register number of the material. (NOTE: NSA will no longer provide plastic zip-lock bags with this material; however, zip-lock containers are available through the Federal Stock System - Stock Number 8105-00-837-7754 (1000 per box).) Labels will not be affixed to keying material canisters for purposes of identifying the classification of the material contained therein. Should additional identification of the classification be necessary beyond that visible through the window of the canister itself, the preferred means **is** to mark or affix a label or tag to the zip-lock bag, if available, or mark the classification on the plastic canister using a grease pencil. If the situation warrants, the **COMSEC** Custodian may issue the entire canister to the user on a hand receipt basis. The user, however, must not remove more tape settings from the canister than are required for current use. As each setting is removed, the user will place his initials and the date in the "USED" column of the "USAGE RECORD" card applicable to the material.

52. Transfer of **COMSEC** Material.

a. General. **COMSEC** material may be transferred from one **COMSEC** account to another only as prescribed by the procedures in this Supplement. It is the responsibility of the Contracting Officer or the COR to provide the contractor with the authority for transfer and shipping instructions when material is to be transferred outside the contractor's facility. When the validity of a shipping address or authority for shipment is in question, it is the responsibility of the **COMSEC** Custodian to initiate action to contact the COR before making the shipment. Accountable **COMSEC** material, regardless of the accounting legend code assigned, will not be shipped unless a **COMSEC** account number is provided with the shipping address. A contractor may, however, be directed to transfer **CCI** equipment to a military department standard logistics system account. Where validation of the account number and shipping address is necessary, the **COMSEC** Custodian **will** obtain the verification from the appropriate Military Department's Accounting Headquarters. The **COMSEC** Custodian will utilize an SF-153 for such transfers, just as with any other outgoing transaction of **COMSEC** material. The **COMSEC** Custodian is responsible for ensuring that the equipment and page checking provisions outlined in paragraph 50 are accomplished prior to packaging **COMSEC** material for transfer. Such checks will normally be conducted no earlier than 48 hours prior to packaging the material.

The **COMSEC** Custodian is also responsible for ensuring that such shipments are only by one of the authorized modes of transportation prescribed in paragraph 55. When transferring Government Furnished Property (**GFP**), the SF-153 will be annotated in the remarks section identifying those items as **GFP**.

b. Transfer of **COMSEC** Material to the U.S. Military Departments. The shipping **COMSEC** Custodian will prepare five copies of the SF-153 and enclose the original and one copy with the shipment (see Figure 2). He/she will put the notation "ADVANCE COPY" on two of the copies, stapling a copy of the Material Inspection and Receiving Report (**DD-250**), if applicable, to each and forward one copy to the NSA COR and one copy to the appropriate Military Accounting Headquarters. The **COMSEC** Custodian will retain the final copy for

file. Additionally, in those instances where the address listed in Block 13 of the DD-250 is not an element of the same department or agency listed in Block 14, the shipping **COMSEC** Custodian will prepare an additional advance copy of the transfer report and DD-250 and forward them to the Accounting Headquarters of the Department or Agency listed in Block 14. For example, if the material is being shipped to a Navy **COMSEC** account, but Block 14 indicates that Air Force purchased the equipment, an advance copy of the transfer report and **DD-250** will be forwarded to both the Navy and Air Force Accounting Headquarters. The following **notations**, as appropriate, will be included on all copies of the transfer reports going to the U.S. Military Departments:

- (1) Ownership of the equipment (**NSA**, Air Force, etc.)
- (2) Purpose of transfer/loan, loan term, and authority for transfer.
- (3) Contract number/project name (if appropriate).

Additionally, the following statement must be placed on all SF-1535 reporting the transfer of COMSEC material:

"Custodian:

Sign all copies and distribute as prescribed by the accounting instructions of your Service. This shipment consists of _____ containers ."

c. Transfer of COMSEC Material to All Other Activities. The shipping COMSEC Custodian must prepare an original and three copies of the SF-153 (see Figure 3) and enclose the original and one copy with the shipment. He/she **will** put the notation "ADVANCE COPY" on the fourth copy, staple a copy of the Material Inspection and Receiving Report (**DD-250**) thereto (if applicable), and forward it to the NSA COR. The COMSEC Custodian will retain the third copy for file. The following notation will be put on all copies of transfer reports going to activities other than the U.S. Military Departments:

"Custodian:

Sign all copies. Return the original to:

Director
National Security Agency
Operations Building Number 3 (Y13)
Room **C1B51**
Fort George G. Meade, MD 20755-6000

Dispose of remaining copies as prescribed by the accounting instructions of your organization."

d. Receipt/Tracer Responsibility. Upon shipment of COMSEC material from the contractor's facility, NSA and the Service Accounting Headquarters, when appropriate, assume responsibility for ensuring that the material is received by the intended recipient on a timely basis. Upon receipt of an advance copy of an SF-153, NSA and the **Service** Accounting Headquarters **will**

establish a receipt suspense date and take any subsequent **tracer** action required. Tracer actions for shipments to Military Department standard logistics system accounts, however, rests solely with the appropriate Military Service Accounting Headquarters. The contractor will not receive a signed copy of the transfer report and is not responsible for ensuring that the material reaches the intended recipient, provided packaging, addressing, and shipping instructions are complied with. The procedure in no way relieves **the** contractor of responsibility for errors which normally can only be detected upon opening of the package by the recipient; e.g., shipment of the wrong item, incorrect nameplate, etc. In lieu of a signed copy of the transfer report, the contractor's recorded proof of shipment will be his file copy of the transfer report combined with either a signed DCS Form 1, Government Bill of Lading (SF-1103), U.S. Registered Mail receipt, or other documentation of shipment from the contractor's facility.

e. Forwarding an Advance Copy of Transfer Report and Material Inspection and Receiving Report (DD-250) to the NSA COR and U.S. Military Service Accounting Headquarters. Timely input to **COMSEC** accounting, financial, and property records and establishment of receipt suspense are dependent on the shipping **COMSEC** Custodian forwarding an advance copy of the transfer report and **DD-250** (e.g., production contracts), when applicable, to the NSA COR and the Service Accounting Headquarters, when appropriate, as soon as the material has been readied for shipment.

f. Nonroutine Disposition of **COMSEC** Material. **COMSEC** material which is lost, compromised, or inadvertently destroyed may be removed from a **COMSEC** account only with the specific written approval of the Chief, Information Security Support Group, NSA.

53. NSA COR and Military Department Accounting Headquarters.

- a. NSA COR
Director
National Security Agency
Operations Building No. 3 (Y13)
Room **C1B51**
Fort George G. Meade, MD 20755-6000
- b. Army Accounting Headquarters
Commander
U.S. Army Communications Security
Logistics Activity
ATTN : **SELCL-NICP-OR**
Fort **Huachuca**, AZ 85613
- c. Navy, Marine, and Coast Guard Accounting Headquarters
Director
COMSEC Material System
3801 Nebraska Avenue, N.W.
Washington, DC 20390

- d. Air Force Accounting Headquarters
Commander
U.S. Air Force **Cryptologic** Support Center
Electronic Security Command
ATTN: MMKD
San Antonio, TX 78243

Verification of Air Force standard logistics system account number and shipping addresses may be obtained by calling (512)925-2771.

54. Packaging COMSEC Material for Shipments Outside the Facility. Movement of **COMSEC** material from the contractor's facility to any other location will be accomplished only with permission of, or as instructed by, the Contracting Officer or the COR, and in accordance with the following:

a. Classified **COMSEC** material will be securely packaged for shipment in two opaque wrappers with no indication of the classification on the outside wrapper. Each wrapper will be marked with the "TO" and "FROM" addresses. The outer wrapper must never carry identification of the contents which directly discloses a cryptographic or COMSEC association; e.g., a system indicator and, where applicable, the acronym "TSEC," etc. The short title of an equipment less the "TSEC" designation followed by the accounting number, e.g., **KW-59/101**, will be marked on the crate or outer wrapper to identify the contents. Assemblies, ancillary devices, elements, and subassemblies shipped individually will be identified by their short titles, accounting numbers, and the short titles of the equipments in which the items are to be used. Items not accountable by accounting number will be identified by short title and quantity. Figure 12 provides examples of COMSEC material identification markings. NOTE: The markings on the crate or outer wrap identifying the COMSEC material within must always agree with the accompanying **COMSEC** Material Report (SF-153).

b. The inside wrapper of **cryptomaterial** will be marked CRYPTO together with its classification, if any. Additionally, if the shipment contains keying material designated for "U.S. Use Only," the inner wrapper will also be marked "Special Handling Required; Not Releasable to Foreign Nationals." Likewise, if the shipment contains **cryptomaterial** which is releasable, the inner wrap will be marked "Special Handling Required; For U.S. and Specified Allies only."

c. The inside wrapper of all COMSEC material addressed to COMSEC accounts will be marked with the notation "TO BE OPENED ONLY BY THE COMSEC CUSTODIAN."

d. Keying material will be packaged separately from its associated **crypto-equipment**, unless the application or design of the equipment is such that the corresponding keying material cannot be physically separated from it. Where practicable, individual shipments will be limited to not more than three editions or three months' supply of a particular item of keying material (whichever is the greater amount). This restriction does not apply to packaged irregularly superseded **materials** and may be waived when issuing material to a newly established COMSEC account or in cases where supply is difficult and the number of shipments is limited.

e. Cryptographic equipment shall not be shipped in a keyed condition unless the physical configuration of the equipment makes segregation of the keying material impossible. For equipments utilizing a **crypto-ignition** key, removal of the **crypto-ignition** key permits the equipment to be considered unkeyed.

f. **CCI** equipment must be securely packaged in a manner that will guard against damage or loss in transit. The equipment designator must be annotated on the package. The "**CCI**" marking may be placed on the exterior of the package when so requested by the procuring activity. The accompanying paperwork will be placed in an envelope securely affixed to the outside of the package and the envelope marked with the "TO" and "FROM" addresses, including the account number without the word "**COMSEC**."

g. Unclassified **COMSEC** material will be wrapped in the same manner as any other unclassified material in accordance with the packaging requirements of the contract.

h. All transfer reports and other forms (e.g. **DD Form-250**) covering an individual DCS shipment must bear the individual shipment control number and will be affixed to the inner wrapper of the package. NOTE : The transfer report and **DD Form-250** will never be placed inside the sealed container with the **COMSEC** material, as this defeats the purpose of marking the short **title** and accounting numbers on the outside of the container.

i. For multiple-package shipments, the **COMSEC** material **will** be packaged beginning with package number 1, followed by a **slant** and the total number of packages comprising the shipment. Package numbers will continue to be assigned in ascending order until the entire shipment is packaged (e.g. for a shipment consisting of three packages, the first box would be marked 1/3; the second one marked 2/3; and the third (last) one marked 3/3. The shipping documents (**SF-153**, **DD-250**, etc.) will be affixed to the inner wrapping of the first package of multiple-package shipments. The serialized package number will not be annotated in the immediate vicinity of DCS control numbers.

55. Authorized Modes of Transportation. The provisions of this paragraph apply only to physical transfers between accounts; local movements (i.e. , within a complex) may be performed by any contractor personnel who are U.S. citizens cleared to the level of the material, and who have been **COMSEC** briefed. There are various authorized modes of transportation for **COMSEC** material. The authorized mode for each specific type of **COMSEC** material is as follows:

a. Classified Keying Material Marked CRYPTO. The cognizant U.S. Government Contracting Officer may authorize the use of U.S. Registered Mail for the shipment of individual editions of **CONFIDENTIAL** keying material to user activities served by U.S. postal facilities, provided the material does not at any time pass out of U.S. citizen control, and does not pass through a foreign postal system or any foreign inspection. Keying material classified **SECRET** or higher may not be sent through the mail without prior approval of the Director, NSA. In time-critical situations, the cognizant U.S. Government Contracting Officer or his/her representative may approve the use of commercial passenger aircraft for transportation of classified **COMSEC** information, provided departmental and Federal Aviation Administration

procedures are followed. The use of commercial passenger aircraft for the transportation of current or superseded keying material is normally prohibited. Except when using systems specifically designed for electronic rekeying, operational **keying** variables may be transmitted electrically only under emergency conditions and only when the communications system provides end-to-end security equal to the classification of the transmitted key setting, and the key setting does not appear in plain text anywhere in the communications path. Under normal conditions, however, classified keying material must be transported by one of the following means:

(1) Defense Courier Service (DCS).

(2) Appropriately cleared and properly designated U.S. military or Government civilian personnel.

(3) Appropriately cleared contractor personnel who have been designated, in writing, as couriers by the Facility Security Officer, provided the material is classified no higher than SECRET. For TOP SECRET keying material, courier authorization must be obtained on a case-by-case basis from the cognizant Contracting Officer or his/her representative.

(NOTE: Two-person integrity (TPI) controls will be applied whenever local couriers transport TOP SECRET keying material from a user **COMSEC** account to another user account or user location. The keying material must be double-wrapped while in transit, and receipts for this material must be signed by two persons who are cleared TOP SECRET and are authorized to receive the material. TPI controls are not required for TOP SECRET keying material while it **is** in the custody of the Defense Courier Service or the Diplomatic Courier Service.)

b. Classified **COMSEC** Equipment and Components.

(1) **COMSEC** equipment and components classified higher than Confidential may be transported by any of the means identified above as authorized for keying material or by a cleared commercial carrier under Protective Security **Service (PSS)**.

(2) **COMSEC** equipment and components classified Confidential may be transported by any of the means specified above, or any of the following:

a. U.S. Registered Mail, provided it does not at any time pass out of U.S. control and does not pass through a foreign postal system or any foreign inspection.

b. Commercial carriers under Constant Surveillance Service (**CSS**) in CONUS only.

c. U.S. military or military-contractor air service (e.g., MAC, LOGAIR, **QUICKTRANS**), provided the requirements for **CSS** are observed.

c. Other Classified **COMSEC** Material.

(1) Media which embody, describe, or implement a classified

cryptographic logic, such as full maintenance manuals, cryptographic logic descriptions, drawings of cryptographic **logics**, specifications describing a cryptographic logic, and cryptographic computer software may not be transported through any postal system. The following transportation methods must be utilized:

(a) Defense Courier Service (**DCS**)

(b) Appropriately cleared U.S. military or Government civilian personnel. who have been designated in writing by NSA or the cognizant Contracting Officer to act as courier for the material.

(c) Appropriately cleared contractor personnel who have been designated in writing by NSA or the cognizant Contracting Officer to act as courier for the material.

(2) Media which does not embody, describe, implement, or contain a classified cryptographic logic may be transported by any of the means listed below. (NOTE : The use of Standard First Class Mail service **is** not acceptable for the transportation of any classified **COMSEC** material.)

(a) Any of the means authorized in subparagraph c(1), above.

(b) If classified SECRET, it may also be transported via U.S. Registered Mail or by a cleared commercial carrier utilizing PSS.

(c) If classified CONFIDENTIAL, it may be transported via U.S. Registered Mail or U.S. Postal Service Certified Mail.

d. Unclassified Keying Material Marked Crypto.

(1) Within CONUS:

(a) Authorized commercial courier.

(b) U.S. Registered Mail. Where practicable, no more than one edition should be transported via this method.

(c) Authorized U.S. military or Government civilian personnel.

(d) Authorized contractor personnel.

(2) Outside CONUS

(a) DCS.

(b) Authorized department, agency, or contractor courier.

e. Controlled Cryptographic Item (CCI).

(1) Within CONUS:

(a) Commercial carrier providing DoD Constant Surveillance

Service (CSS). (NOTE: Contact the Transportation Officer of the nearest Defense Contract Administration Service Management Area (DCASMA) office for information concerning the carriers servicing your area or where DCASMA does not administer your contract, the cognizant Contracting Officer.

(b) U.S. Registered Mail.

(c) Authorized department, agency, or contractor courier. **For** contractor couriers, the authorization to act as a courier or escort for **CCI** equipment and components may be granted by the company FSO.

(2) Outside CONUS:

(a) DCS will accept **CCI** for shipment outside the 48 contiguous states only when it has been proven that no other means of secure transportation is available.

(b) **CCI** equipment may be transported by company courier to countries specifically listed in the **MOU/MOA** between NSA and vendor as authorized for marketing of the equipment, or as otherwise approved, in writing, by NSA. Couriers must be issued passes by the FSO which contain the employee's full name, social security number; issue date; pass expiration date (no longer than one year from the date of issue); identification of company, with name and signature of issuing official; and employee's signature. The FSO must ensure that the courier is briefed on proper security procedures and that all requirements for access and the physical security of the equipment or materials can be complied with. The FSO must maintain for a period of three years, a record of each instance in which material or equipment is **couriered**, identifying each piece of couriered material, the date/time of departure, the commercial flight number, any flight transfers, and destination. Transportation may be by any means that permit the courier to maintain continuous accountability and provide protection against losses and unauthorized access while in transit. Where transportation is by commercial aircraft, the **CCI** equipment should be stowed in the cabin where the courier can maintain constant surveillance. If equipment bulk will not permit cabin storage or creates an excessive burden for the courier, **CCI** circuit boards may be removed for cabin storage, and remainder of the equipment may be checked as hold baggage. For sales to foreign governments, the contractor is responsible for being fully knowledgeable regarding the customs regulations and procedures of **countries** where the **CCI** equipment will be demonstrated. The contractor also is responsible for arranging with the governments of such countries for the entry of **CCI** equipment into their countries and for the removal of the equipment without customs inspection. Arrangements must be made through the U.S. Military Services to provide the same exemption from customs inspection for **CCI** equipment being transported to U.S. Military Forces abroad. Contractors must not transport **CCI** equipments through countries other than those which have been approved as stated above. All incidents of **impoundment**, seizure, **or loss of CCI** equipment **while** it is being **couriered** must be reported in accordance with Section **XVI** of this Supplement.

f. All Other Unclassified COMSEC Material. Material may be shipped by

any means which. will reasonably assure safe and undamaged arrival at its destination. Unclassified **COMSEC** items may be shipped with classified **COMSEC** material when there is an operational need to provide both types of material together.

56. **CCI Equipment Distribution.** Contractors who purchase **CCI** equipment must arrange for equipment distribution with the vendor, and in coordination with the U.S. Government Contracting Officer (if applicable), as follows:

a. Direct shipment to primary **COMSEC** accounts - **CCI** equipment destined for either the primary **COMSEC** account or its **subaccounts** will normally be shipped directly to the primary **COMSEC** account. The SF-153 will be addressed to the primary **COMSEC** account and will be included with the shipment. An advance copy will be provided to the NSA COR and to the appropriate Department or Agency COR, if applicable. Upon receipt of the equipment at the primary **COMSEC** account, the **COMSEC** Custodian must verify the contents of the shipment against the accompanying paperwork. If no discrepancies exist, the **COMSEC** Custodian will sign the SF-153 and return a copy to the vendor, reproducing additional copies for the NSA COR, the Department or Agency COR, if applicable, and for his/her files. If a discrepancy is noted, follow the procedures specified in paragraph 50.

(1) Redistribution to **COMSEC subaccounts:** Upon receipt of the shipment at the primary **COMSEC** account, the **COMSEC** Custodian will prepare the appropriate equipment for shipment to its subaccounts, following the packaging procedures specified in paragraph 54. An SF-153 will be included in each separate **subaccount** shipment identifying the contents therein. The SF-153 will be assigned a transaction number as prescribed in paragraph 39b(9) .

(2) Receipt by **subaccounts:** Upon receipt of the equipment by the **COMSEC** subaccount, the **subaccount COMSEC** Custodian must verify the contents of the package against the accompanying SF-153.

If no discrepancies exist, he/she will sign the SF-153, assign it an incoming transaction number, return a copy to the primary **COMSEC** account, and retain the original for file.

b. Direct shipment to **COMSEC subaccounts** - When a direct shipment of **CCI** equipment is made to a **COMSEC subaccount**, the vendor will include a copy of the SF-153 along with the shipment, and provide advance copies to the primary **COMSEC** account, the NSA COR and the appropriate Department or Agency COR, if applicable. The advance copy will serve as notice to the primary **COMSEC** account of the shipment of the equipment directly to one of its subaccounts. Upon receipt of the signed SF-153 from its **COMSEC** sub-account, the **COMSEC** Custodian of the primary **COMSEC** account will sign the advance copy of the SF-153 (thus attesting to the receipt of the equipment by the intended recipient) and will assign it an incoming transaction number. Prior to forwarding the signed copy of the SF-153, the **COMSEC** Custodian of the primary **COMSEC** account will duplicate a sufficient number of copies and will forward one to the NSA COR, one to the Department or Agency COR, if applicable, and will retain one for his files along with the signed SF-153 received from the subaccount. It will be the responsibility of the **COMSEC** Custodian of the